



Related Party Transaction Policy  
For GeeCee Ventures Limited

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Related Party Transaction Policy

(Effective from 1st October, 2014)

(Revised on 23rd May, 2018)



**POLICY ON**  
**RELATED PARTY TRANSACTION**

**1. PREAMBLE**

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GeeCee Ventures Limited (the Company) has always been committed to good corporate governance practices. As a matter of practice, the Company follows arm's length basis in transacting business with related party which are in ordinary course of business. The Board of Directors (the "Board") of GeeCee, has adopted the following policy and procedures with regard to Related Party Transactions upon recommendation of Audit Committee. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company. The said policy includes materiality thresholds and the manner in dealing with the Related Party Transaction (RPT) in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee will review and may amend this policy from time to time.

**2. PURPOSE**

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This policy is framed as per mandatory requirement of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered by the Company with Stock Exchanges which requires formulation of policy on materiality of Related Party Transaction and also intends to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties. This Policy has been adopted by the Board of Directors of the Company based on the recommendations of Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.



### 3. DEFINITIONS

“**Act**” means The Companies Act, 2013, and rules framed thereunder, including any modifications, amendments, clarification, circulars or re-enactments thereof.

“**Arm’s Length Basis**” means a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.

“**Associate Company**” means a Company as defined in Section 2(6) of the Companies Act, 2013.

“**Audit Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing Agreement and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Company**” means GeeCee Ventures Limited

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“**Key Managerial Personnel**” means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013.

“**Material Related Party Transaction**” means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 % of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

“**Subsidiary Company**” means a company as defined under section 2(87) of the Companies Act, 2013.



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“**Policy**” means current policy on Related Party Transaction Policy, including amendments, if any, from time to time.

“**Related Party**” have the meaning as defined in Section 2 (76) of the Companies Act, 2013 and Regulation 2 (1) (zb) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“**Relative**” means as defined in Section 2(77) of the Companies Act, 2013 and also as per Rule 3 of the Companies (Specification of Definition Details) Rules, 2014.

“**Related Party Transaction**” have the meaning as defined under Regulation 2 (1) (zc) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as means transfer of resources, services or obligations between a listed entity and a related party, regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or group of transactions in a contract, including but not limited to the following-

- a. Sale, purchase or supply of any goods or materials;
- b. Selling or otherwise disposing of, or buying, property of any kind;
- c. Leasing of property of any kind;
- d. Availing or rendering of any services;
- e. Appointment of any agent for purchase or sale of goods, materials, services or property;
- f. Appointment of any office or place of profit in the Company
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

## 4. MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and the related parties shall abstain from voting on such resolutions whether the entity is a related party to a particular transaction or not. The Company has fixed its materiality threshold at 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company for the purpose of Regulation 23 (4) of the SEBI Listing Regulations.



## 5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

### 5.1 Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

### 5.2 Procedure for approval of Related Party Transactions

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

#### 4.2.1 Approval of the Audit Committee:

- a) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
  - i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
  - ii. The maximum value per transaction which can be allowed;
  - iii. extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval
  - iv. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
  - v. transactions which cannot be subject to the omnibus approval by the Audit Committee



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b) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:

- i. repetitiveness of the transactions (in past or future);
- ii. Justification for the need of omnibus approval

c) Such omnibus approval shall specify the information with respect to actual or potential related party transaction which includes:

- i) the name/s of the related party;
- ii) nature of transaction;
- iii) period of transaction;
- iv) maximum amount of transaction that can be entered into;
- v) the indicative base price/ current contracted price & formula for variation in the price, if any;
- vi) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction. Audit Committee shall review, at least on a quarterly basis, the details of RPT's entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

### **5.3 Review and Approval of Related Party Transactions**

#### **Audit Committee Approval**

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.



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To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other related Party's interest in the transaction and the on-going nature of any proposed relationship and any other factors the Board/Committee deems relevant.



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Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.

Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:

- i. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ii. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- iii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

### **Board Approval**

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Board Approval is required to be obtained for entering into the transactions relating to following as stated in Section 188 (1) of the Companies Act, 2013:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the company.





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For getting a Board's Approval, following things should be disclosed in the Agenda of Board Meeting as required by Rule 15 (1) of the Companies (Meetings of Board and its Powers) Rules, 2014:

- (a) the name of the related party and nature of relationship;
- (b) the nature, duration of the contract and particulars of the contract or arrangement;
- (c) the material terms of the contract or arrangement including the value, if any;
- (d) any advance paid or received for the contract or arrangement, if any;
- (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Such resolution cannot be passed by circular resolution of Board of Directors.

### **Shareholders' Approval**

All material related party transactions shall require approval of shareholders through resolution and the related parties shall abstain from voting on such resolution.

All the transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholder through resolution if so required under any law and the related party/ies with whom transaction to be entered into shall abstain from voting on such resolution.



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**SHAREHOLDERS' APPROVAL IS REQUIRED FOR ENTERING INTO TRANSACTION WITH RELATED PARTY.**

NATURE OF RELATED PARTY TRANSACTION	MATERIAL RELATED PARTY TRANSACTIONS- COMPANIES ACT, 2013 (NOT IN ORDINARY COURSE OF BUSINESS AND NOT ON AN ARM'S LENGTH BASIS)	MATERIAL RELATED PARTY TRANSACTIONS- SEBI
Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	Amounting to 10% or more of the turnover of the company or Rs. 100 Crores, whichever is lower.	10% of annual consolidated turnover as per last audited financial statements
NATURE OF RELATED PARTY TRANSACTION	MATERIAL RELATED PARTY TRANSACTIONS- COMPANIES ACT, 2013 (NOT IN ORDINARY COURSE OF BUSINESS AND NOT ON AN ARM'S LENGTH BASIS)	
Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.	Amounting to 10% or more of the net worth of the company or Rs. 100 Crores, whichever is lower.	
Leasing of property of any kind	Amounting to 10% or more of the net worth of the company or	



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	10% or more of the turnover of the company or Rs. 100 Crores, whichever is lower.	
Availing or rendering of any services, directly or through appointment of agent	Amounting to 10% or more of the turnover of the Company or 50 Crores, whichever is lower.	
Appointment to any office or place of profit in the Company, its subsidiary company or associate company	Monthly Remuneration exceeding Rs. 2.5 Lakhs	
Remuneration for underwriting the subscription of any securities or derivatives.	Exceeding 1% of Net Worth	

The explanatory statement to the notice of general meeting convened pursuant to Section 101 of the Companies Act, 2013 should also contain the details as follows:

- (a) name of the related party;
- (b) name of the director or Key Managerial Personnel who is related, if any;
- (c) nature of relationship;
- (d) nature, material terms, monetary value and particulars of the contract or arrangement;
- (e) Any other information relevant or important for the members to take a decision on the proposed resolution.

#### Disclosures

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

In addition to the above, the Company shall also provide details of all related party transactions exceeding the materiality threshold (laid down in Clause 4 of the Policy above) on a quarterly basis to the stock exchanges.

#### Transaction with subsidiary Company

In case of wholly owned subsidiary, the special resolution passed by the holding Company shall be sufficient for the purpose for entering into the transactions between wholly owned subsidiary and holding company.



### 6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

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In the event where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting and if it is not ratified by the Board or shareholders within three months from the date on which such contract or arrangement was entered into, the Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

### 7. REVIEW OF THE POLICY

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The adequacy of the policy shall be reviewed and reassessed by the Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.